

American Bank

1600 Smith • P.O. Box 847 • Houston, Texas 77001 • 713/951-7100 • Telex 386383

Bruce W. Reed
Executive Vice President

1 6021
RECORDATION NO. 1140 1988

NOV 9 1988-11 15 AM

INTERSTATE COMMERCE COMMISSION

October 17, 1988

No. 8-314A017

Date NOV 9 1988

Fee \$ 13.00

ICC Washington, D. C.

1 6021
RECORDATION NO. 1140 1988

NOV 9 1988-11 15 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Attention: Ms. Mildred Lee
12th & Constitution Avenue N.W., Room 2303
Washington, D. C. 20423

Dear Ms. Lee:

Enclosed please find documents relating to railroad tank cars owned by Mr. Dean H. Maddox. American Bank has taken a lien on said cars and would like to record the lien with the Interstate Commerce Commission. I have enclosed copies of the management agreements between GLNX Corporation and Dean H. Maddox as well as the original and one notarized copy of the security agreement covering 9 tank cars. Mr. Maddox's principal place of business is 700 Louisiana, Suite 4650 Houston, Tx. 77002; GLNX Corporation is located at 1300 Post Oak Blvd., Suite 960 Houston, Tx. 77056.

I would appreciate your recording American Bank's lien and forwarding an acknowledged copy to my attention. I have enclosed a cashier's check for \$13.00 for recording fees and have included a pre-addressed envelope for your convenience in returning the documents to me.

Sincerely,

Bruce W. Reed (jw)

Bruce W. Reed
Executive Vice President

BWR/pw
Enclosures

NOV 9 11 40 AM '88
RECEIVED
FEDERAL RESERVE BANK
WASHINGTON, D.C.

Interstate Commerce Commission

Washington, D.C. 20423

11/14/88

OFFICE OF THE SECRETARY

Bruce W. Reed
American Bank
P.O.Box 847
Houston, Texas 77001

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/9/88 at 11:45am, and assigned recordation number(s). 16021 & 16021-A

Sincerely yours,

Nesta L. McGee

Secretary

Enclosure(s)

1 6021 X
RECORDATION NO. 6021
FIVE 1988

NOV 9 1988 - 11 AM

INTERSTATE COMMERCE COMMISSION

MANAGEMENT AGREEMENT

This management agreement ("Agreement") by and between GLNX Corporation, a Texas Corporation ("GLNX"), having its principal place of business in The Woodlands, Texas and Dean Maddox ("Owner") a resident of Houston, Texas.

W I T N E S S E T H:

Whereas, Owner is the owner of the railway equipment listed in the attached Exhibit "A" (the "Railway Equipment"), and is desirous of entering into the following agreement with GLNX, whereby GLNX will manage the Railway Equipment pursuant to the terms and conditions hereof; and

Whereas, GLNX is desirous of undertaking the management of the Railway Equipment pursuant to the terms and conditions hereof;

Now, therefore, in consideration of the premises and the mutual covenants and conditions set forth herein, the parties hereto agree as follows:

ARTICLE I
APPOINTMENT

1. Owner hereby appoints GLNX to manage and otherwise supervise the operation of the Railway Equipment in the name of the Owner, or in the name of GLNX, but for the account and on behalf of the Owner pursuant and subject to the terms and conditions set forth in this agreement.

2. GLNX hereby accepts the appointment set forth in paragraph 1 of this Article I and agrees to perform the duties and obligations set forth herein. Owner acknowledges and agrees that, whereas GLNX has accepted the responsibility of managing the Railway Equipment, except as specifically set forth herein to the contrary or as provided by law, GLNX shall have the sole function and operative judgement, to be exercised in a reasonable manner, for the leasing, operation and management of the Railway Equipment and for establishing and implementing policies and standards affecting the Railway Equipment or the operation, maintenance or repair thereof. GLNX shall be entitled to rely upon written or oral instructions received from Owner as to any and all acts to be performed by GLNX.

ARTICLE II
OWNER'S COVENANTS AND RESPONSIBILITIES

1. Owner does hereby deliver and release to GLNX the Railway

28 MAY 1986

DEAN MADDOX

Equipment for the management thereof by GLNX, and GLNX acknowledges delivery and receipt thereof.

2. Except as provided below, Owner shall be responsible for the payment of all expenses incurred in connection with the ownership of the Railway Equipment, including ad valorem and other taxes, all contract and AAR repair charges, freight, excess mileage equilization cost, storage, design changes and other modifications required by governmental or industry regulations or technological changes, repairs due to latent defects, periodic inspection costs, insurance premiums, deductibles under insurance policies, cleaning, and other expenses, levies or charges, including the Management Fee (as defined in Article V hereof), incurred in connection with the Railway Equipment and the operation and leasing thereof (all of which shall hereinafter be sometimes collectively referred to as the "Expenses").

3. Owner agrees to pay a portion of the aggregate ad valorem, gross receipts, property, or similar taxes levied against all tank cars (including the Railway Equipment) managed or owned by GLNX (the GLNX Fleet) in an amount equal to the percentage which the lease fees (as defined in paragraph 1 of Article III) earned by the Railway Equipment are of the gross rental and service charges earned by all rail cars in the GLNX fleet.

4. If the lease fees (as defined in paragraph 1 of Article III) earned by the Railway Equipment are less than the expenses incurred or reasonably foreseeable in connection with the operation and management of the Railway Equipment hereunder, GLNX will so advise the Owner in the quarterly report provided for under Article III, Paragraph 8 hereof including the amount of such deficiency and, if requested by GLNX, Owner will remit to GLNX within ten days of receipt of the quarterly report the amount of such deficiency.

5. Owner agrees to cooperate fully with GLNX and to provide all assistance reasonably requested by GLNX to carry out its obligations hereunder. This shall include, subject to the provisions of Article VI hereof, full cooperations and assistance in any lawsuit or other similar matter or proceeding before any court of agency.

ARTICLE III GLNX'S COVENANTS AND RESPONSIBILITIES

In consideration of the management fee provided for hereunder, GLNX agrees to utilize reasonable time and efforts to:

1. Collect the rental and service charges earned by the Railway Equipment (the "Lease Fees") and to enforce the provisions of the Lease Agreement. Such duties shall not, however, be deemed to include the filing of a suit to collect such lease fees and other expenses, although GLNX may elect to do so at its option but at the expense of owner, subject to the provisions of Article VI hereof.

2. Use its best efforts to obtain leases for the Railway Equipment (including renewal options) and maintain the Railway Equipment under lease throughout the term of this agreement. GLNX shall execute

any such lease in the name of GLNX but for the account and on behalf of the Owner.

3. Comply with the terms and conditions of any lease agreements to which the Railway Equipment is subject during the term hereof. It is understood, however, that before GLNX shall be obligated to comply with any lease, such lease and/or amendments must be approved, in writing, by GLNX.

4. Make all required registration and other filings with the Interstate Commerce Commission, the Association of American Railroads, the Department of Transportation and any other governmental or industry authority.

5. File applicable ad valorem and other tax returns and pay, from the lease fees or from funds advanced by owner, all such taxes due, in accordance with the provisions of Article II, Paragraph 3. GLNX may, however, retain during each calendar year of the term of this agreement, an amount equal to three percent of the lease fees received during that calendar year to cover such taxes, but will, within 90 days following the end of each calendar year, remit to owner any amounts not required for such taxes.

6. Maintain adequate books and records sufficient to account properly for the lease fees, expenses and other such items applicable to the Railway Equipment.

7. Contract for or otherwise obtain all repair and/or maintenance work on the Railway Equipment considered necessary by GLNX, such repair and/or maintenance work to be paid for by GLNX, subject to the provisions of Article II, Paragraph 2.

8. Provide periodic reports to owner on a quarterly basis (the "Quarterly Reports") which shall set forth the lease fees derived from the use of the Railway Equipment, as well as expenses incurred or that are reasonably foreseeable to be incurred in connection with the Railway Equipment. The quarterly reports shall be for the quarters ending March 31, June 30, September 30, and December 31, and will be delivered to Owner as promptly as is reasonably possible. Should the lease fees exceed the expenses incurred in connection with the Railway Equipment, payment of the excess (except for any amount retained under paragraph 5 and this paragraph 8 of Article III) shall accompany the quarterly report. Should expenses (incurred or reasonably foreseeable) exceed the lease fees for the period in question, the quarterly report will set forth the amount to be remitted by Owner to GLNX, if requested. It is understood that GLNX shall be under no obligation to advance funds for payment of the expenses, regardless of the results of the nonpayment thereof. It is further understood that GLNX shall have the authority to retain portions of lease fees that exceed actual expenses incurred to cover future expenses that can be reasonably foreseen to exceed lease fees for the applicable future period or periods. Such retention of lease fees shall be accomplished on a reasonable basis and in such a manner as to minimize the effect that such retention shall have on cash distributions, if any, made to Owner. No assessment for cash deficiencies shall be made to Owner, however, to the extent of unremitted mileage credits held by GLNX.

9. Maintain the following insurance coverage on the Railway Equipment: A policy of general liability insurance covering owner and GLNX with limits of coverage not less than the amounts and against the risks insured against by GLNX from time to time on railroad equipment owned by GLNX; and a policy of property insurance with limits of coverage of not more than \$66,000 per car, \$1,000,000 each occurrence, with no more than a \$50,000 deductible (to be paid by Owner) each occurrence, naming Owner as an additional insured. If at any time, the general liability insurance maintained on the Railway Equipment shall have limits of less than \$10,000,000 or shall not include assumed contracted coverage, for whatever reason; or if the amounts of coverage described above is decreased, GLNX shall, not less than thirty (30) days after it received effective notice of the decrease in insurance coverage, give written notice to Owner of the same. GLNX will provide the Owner as promptly as practical, after receipt by GLNX, a certificate setting forth the then existing insurance coverage on the Railway Equipment.

10. Reasonably pursue any and all warranties or other claims against manufacturers, users, lessees, railroads and other parties on behalf of Owner. Such duties shall not, however, be deemed to include the filing of suit, although GLNX may elect to do so at its option, but at the expense of Owner, subject to the provisions of Article VI.

ARTICLE IV TERM AND TERMINATION

1. Subject to the Paragraph 2 of this Article IV, the term of this Agreement shall be for a period of sixty (60) months commencing with the effective date hereof, and shall automatically terminate at the expiration of such term.

2. Except as otherwise provided in this agreement, the Owner may terminate this agreement by giving GLNX written notice of termination not less than three months prior to the termination date designated in such notice; provided, however, if Owner shall owe GLNX any amounts under this agreement, the Owner may not terminate this agreement as to any of the Railway Equipment until all such amounts have been paid. GLNX shall, at its option, be entitled to continue to lease and otherwise operate and manage the Railway Equipment and retain any and all lease fees received therefrom until all amounts outstanding and/or subsequently incurred in connection with such continued leasing of the Railway Equipment have been paid.

3. Except as otherwise provided in Article IV, Paragraph 4, should either party default under its obligations set forth herein, the sole and exclusive remedy of the other party shall be to advise the defaulting party of such default, and should such default not be corrected within 30 days of such notification, the aggrieved party may, at its option, immediately terminate this agreement; provided, that the Owner shall (in addition to the foregoing) preserve and retain any rights the Owner might have at law or in equity if GLNX defaults in its obligations under Article III, Paragraph 9, or if GLNX's actions constitute gross negligence or willful misconduct.

4. Neither GLNX nor the Owner shall, by reason of the expiration or the termination of this agreement in accordance with the terms and provisions hereof, be liable to the other for compensation, reimbursement or damages, either on account of present or prospective profits or on account of expenditures, investments or commitments made in connection therewith or in connection with establishment, development or maintenance of the business or goodwill of GLNX or the Owner, or on account of any other cause or thing whatsoever; provided, however, that such expiration or termination shall not affect the rights or liabilities of the parties with respect to any indebtedness owing by either party to the other; and further provided, that such expiration or termination shall be subject to any then existing lease or leases of the Railway Equipment, and GLNX, at its option, shall be entitled to continue, pursuant to the terms and conditions of this agreement, the management and control of any of the Railway Equipment covered by such lease or leases as may be necessary for GLNX to comply with such lease or leases, including the right to retain the lease fees, management fee and other sums as provided for herein, until the expiration or termination of such lease or leases. Except as may be otherwise expressly set forth herein, upon the expiration or termination of this agreement, all obligations of the parties shall immediately cease. GLNX shall, however, provide reasonable assistance to owner in transferring to Owner, all at Owner's expense and upon Owner's request, all records, data and other information relating to the Railway Equipment and in assisting Owner in the implementation of such records, data and information into Owner's operations.

ARTICLE V

In consideration of the services of GLNX hereunder, Owner shall pay to GLNX a management fee of ten (10) percent of the lease fee collected for each railway car included in the Railway Equipment (the "Management Fee"). The Management Fee shall be deducted from the remittance due quarterly to Owner as otherwise provided herein.

ARTICLE VI LEGAL ACTIONS

GLNX will give written notice to Owner at least 10 days prior to the institution of legal proceedings by GLNX or not more than 10 days after being served with process in any legal proceedings against GLNX involving the Railway Equipment. Unless otherwise directed in writing by Owner, GLNX may, at its option, institute or defend, in its own name or in the name of owner, or both, but not against each other, and in all events at the expense of the Owner, any and all legal actions or proceedings it considers necessary hereunder, including those to collect charges, rents, claims or other income for the Railway Equipment, or lawfully oust or dispossess lessees or other persons in possession thereof, or lawfully cancel, modify or terminate any lease, license or concession agreement for the breach thereof of default by a lessee, licensee or concessionaire or take any and all necessary actions to protest or litigate to a final decision in any appropriate court or other forum any violation, order, rule, regulation, suit,

claim or other matter affecting the Railway Equipment. GLNX shall keep Owner currently advised of all legal proceedings and Owner reserves the right to direct GLNX to terminate any litigation brought pursuant to the foregoing authority.

ARTICLE VII ASSIGNMENT

This agreement is not assignable by either party except with the written consent of the other party; provided, however, (A) this agreement together with the Railway Equipment may be transferred by Owner to his estate, heirs or devisees or to any purchaser at a foreclosure sale where this agreement and the related Railway Equipment are sold as collateral so long as such sale complies with applicable federal or state securities laws and (B) may be assigned by GLNX in connection with the merger or consolidation of GLNX into another corporation or as part of the sale of substantially all of the assets of GLNX.

ARTICLE VIII INDEMNIFICATION

Owner and GLNX jointly and severally acknowledge, agree and covenant that GLNX is entering into this contract as an independent contractor, and neither party hereto shall take any action to alter such legal relationship. Owner shall have no right or authority, and shall not attempt, to enter into contracts or commitments in the name, or on behalf, of GLNX, or to bind GLNX in any manner or respect whatsoever. Further, Owner agrees to indemnify and hold GLNX harmless from any and all claims, demand, causes of action (at law or in equity), costs, damages, reasonable attorney's fees, expenses and judgments, which may hereafter be asserted by any third party based on or relating to the Railway Equipment or the operation, including the leasing, thereof, except for all claims, demands, causes of action (at law or in equity), costs, damages, reasonable attorney's fees, expenses and judgments which may hereafter be asserted by any third party based on or relating to actions taken by, or inactions of GLNX in connection with the Railway Equipment, which actions or inactions were not authorized, hereunder, were authorized hereunder but performed negligently, or were not specifically requested or approved by Owner; provided, that GLNX shall indemnify and hold harmless the Owner from all claims, demands, causes of action (at law or in equity), damages, attorney's fees, expenses and judgments which may be asserted hereafter by any third party based on or relating to any of the aforesaid actions or inactions of GLNX in connection with the Railway Equipment.

ARTICLE IX ADDITIONAL AGREEMENTS

1. Each party hereto shall promptly and duly execute and deliver to the other party such further documents, assurances, releases and other instruments, and take such further actions, including any necessary filings and the execution of a power of attorney of Owner, as the other party may reasonably request, in order to carry out more fully

the intent and purpose of this agreement and to indicate the ownership of the Railway Equipment during the continuance with the Railway Equipment.

2. It is understood that upon the expiration or termination of this agreement as to any or all of the Railway Equipment, Owner shall no longer be entitled to use the recording and UMLER car initials and numbers and other designations (the "Designations") that are presently the property of GLNX. Accordingly, owner agrees that it will promptly undertake upon such expiration or termination, at Owner's expense, all steps necessary to change promptly the designations on the Railway Equipment no longer included under the agreement and to execute any and all documents requested by GLNX to transfer to GLNX any rights Owner may have acquired to such designations. GLNX agrees to prepare at GLNX's expense, documentation as, in its opinion, is necessary to change all designations on the Railway Equipment from the designations of GLNX to those adopted by Owner, and to provide reasonable assistance to Owner, at Owner's expense, in the filing of such documents.

3. Any notice or other communication by either party to the other shall be in writing, and shall be deemed to have been duly given if either delivered personally or mailed, postage prepaid, registered or certified mail, addressed as follows:

GLNX: G L N X CORPORATION
25231 Grogan's Mill Road
Suite 500
The Woodlands, Texas 77380

OWNER: DEAN MADDOX
4650 Republicbank Tower
700 Louisiana
Houston, Texas 77002

or to such other address, and to the attention of such other person or officer as either party may designate to the other in writing as provided by this paragraph.

4. The Owner or his authorized representative shall be entitled to inspect the books and records of GLNX applicable to the Railway Equipment at any reasonable time during the office hours of GLNX.

5. GLNX hereby confirms that it will act as agent of Owner in entering into and performing all obligations and duties of the Lessor under any lease of the Railway Equipment and hereby assigns to Owner all rights of the Lessor under any such lease, including any rights of indemnification of the Lessor thereunder, provided, that such assignment shall not affect or modify the relationship between, or the respective rights, obligations, and duties of GLNX and Owner pursuant to this agreement.

6. This agreement contains the entire agreement of the parties hereto pertaining to the management and operation of the Railway Equipment. Except as otherwise provided herein, this agreement may not be modified or amended, except by express, written agreement signed by

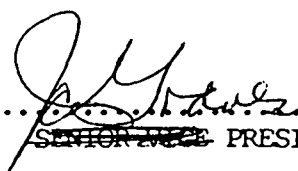
both parties hereto. Any waiver of any obligation of either party hereto shall not be construed as a continuing waiver of any such obligation under any provision hereof.

7. The terms and provisions of this agreement shall be binding upon and inure to the benefit of, and be enforceable by the heirs, administrators, executors, successors and assigns, if any, of the parties hereto, subject to the provisions pertaining to the assignment hereof set forth in Article VII.

8. This agreement shall be construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have hereunto set their names effective this 28th of May, 1986.

G L N X CORPORATION

BY..........
~~SENIOR VICE~~ PRESIDENT

OWNER


BY..........
DEAN MADDOX

EXHIBIT "A"
RAILWAY EQUIPMENT

<u>CLASS</u>	<u>CAPACITY</u>	<u>CAR NUMBERS</u>
DOT 111A100W3	23,500-Gal.	GLNX 86008 GLNX 86023 GLNX 86034 GLNX 86043 GLNX 86051